THE HON'BLE Ms. JUSTICE G. ROHINI

WRIT PETITION No.22030 OF 2006

ORAL ORDER:

This writ petition is filed seeking a declaration that the action of the respondents in issuing notice dated 5.10.2006 under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short "the Act") as arbitrary and illegal.

The only contention raised by the petitioner is that the respondents are not justified in issuing the impugned notice without considering the proposal made by him earlier for one-time settlement.

The notice under Section 13(2) of the Act itself is in the nature of a show cause notice and sub-section (3-A) of Section 13 of the Act entitles the borrower to make a representation raising all the objections to the action initiated under the Act. If such representation is made, the secured creditor is bound to consider the same and communicate the reasons for non-acceptance of the objections raised. In the circumstances, interference by this Court at this stage is not warranted.

Accordingly, the writ petition is dismissed. However, this shall not preclude the petitioner to make a representation raising the objections in terms of sub-section 3-A of Section 13 of the Act; in which event, the same shall be considered and appropriate orders be passed by the respondents in terms of sub-section (3A) of Section 13 of the Act. No costs.

(G. ROHINI, J.)

26th October, 2006.
Issue CC in two days.
Kgr

THE HON'BLE Ms. JUSTICE G. ROHINI

WRIT PETITION No.22030 OF 2006

26th October, 2006.

Between:

Chandrapati Veerabhadra Rao. .. Petitioner.

And

The Andhra Bank (A Govt. of India Undertaking), Karimnagar Branch, Represented by its Manager, Rajahmundry, East Godavari District and another. .. Respondents.